

Farm Credit Administration

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(o) *Report* refers to the annual report, quarterly report, notice, or information statement, regardless of form, required by this part unless otherwise specified.

(p) *Senior officer* means any person designated by the board of directors as responsible for a major management function.

(q) *Shareholder* means a holder of any equity interest in an institution.

(r) Signed, when referring to paper form, means a manual signature, and, when referring to electronic form, means marked in a manner that authenticates each signer's identity.

(s) *Significant event* means any event that is likely to have a material impact on the reporting institution's financial condition, results of operations, cost of funds, or reliability of sources of funds. The term "significant event" includes, but is not limited to, actual or probable noncompliance with the regulatory minimum permanent capital standards or capital adequacy requirements, stock impairment, the imposition of or entering into enforcement actions, execution of financial assistance agreements with other institutions, collateral deficiencies that impact a bank's ability to obtain loan funds, or defaults on debt obligations.

[51 FR 8656, Mar. 13, 1986, as amended at 51 FR 42086, Nov. 21, 1986; 53 FR 3337, Feb. 5, 1988; 56 FR 29421, June 27, 1991; 56 FR 42649, Aug. 28, 1991; 58 FR 48791, Sept. 20, 1993; 59 FR 37406, July 22, 1994; 62 FR 15092, Mar. 31, 1997; 63 FR 39229, July 22, 1998; 67 FR 16633, Apr. 8, 2002]

§ 620.2 Preparing and filing the reports.

For the purposes of this part, the following shall apply:

(a) Copies of each report required by this section, including financial statements and related schedules, exhibits, and all other papers and documents that are a part of the report must be sent to the Chief Examiner, or to another office designated by the Chief Examiner. If sending paper copies, send three copies to Chief Examiner, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090. If providing electronic copies, send according to our instructions to you. The Farm Credit Administration must re-

ceive the report the report within the period prescribed under applicable subpart sections. The reports shall be available for public inspection at the issuing institution and the farm Credit Administration office with which the reports are filed. Bank reports shall also be available for public inspection at each related association office.

(b) At least one of the reports provided to the Farm Credit Administration shall be dated and manually signed on behalf of the institution by:

(1) The person designated by the board of directors to certify the reports of condition and performance in accordance with § 621.14 of this chapter;

(2) The chief executive officer; and

(3)(i) For each quarterly report or notice required under this section, each member of the board or one of the following board members formally designated by action of the board to certify reports of condition and performance on behalf of the individual board members: The chairperson of the board; the chairperson of the audit committee; or a board member designated by the chairperson of the board.

(ii) For all other reports, each member of the board.

The name and position title of each person signing the report shall be printed beneath his or her signature. The statement to which the signers of the report shall attest shall read as follows:

The undersigned certify that this report has been prepared in accordance with all applicable statutory and regulatory requirements and that the information contained herein is true, accurate, and complete to the best of his or her knowledge and belief.

If any officer or any member of the board is unable to or refuses to sign the report, the institution shall disclose the individual's name and position title and the reasons such individual is unable or refuses to sign the report.

(c) The report sent to shareholders shall be signed and dated by and on behalf of the institution and its board of directors by its chief executive officer and the chairman of the board of directors. If any person required to sign the report submitted to the Farm Credit Administration pursuant to paragraph (b) of this section has not signed the report, the name and position title of

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the individual and the reasons such individual is unable or refuses to sign shall be disclosed in the report sent to shareholders.

(d) Shareholders must agree to electronic disclosures of reports required by this part.

(e) Information in any part of this report may be incorporated by reference in answer or partial answer to any other item of the report.

(f) All items of essentially the same character as items required to be reported in the reports of condition and performance pursuant to part 621 of this chapter shall be prepared in accordance with the rules set forth in part 621.

(g) No disclosure required by subparts B and E of this part shall be deemed to violate any regulation of the Farm Credit Administration.

(h) Each Farm Credit institution shall present its reports in accordance with generally accepted accounting principles and in a manner that provides the most meaningful disclosure to shareholders.

(1) Any Farm Credit institution that presents its annual and quarterly financial statements on a combined or consolidated basis shall also include in the report the statement of condition and statement of income of the institution on a stand-alone basis. The stand-alone statements may be in summary form and shall disclose the basis of presentation if different from accounting policies of the combined or consolidated statements.

(2) Any bank that prepares its financial statements on a stand-alone basis shall provide in the footnotes accompanying its annual report supplemental information containing a condensed statement of condition and statement of income for the bank's related associations on a combined basis. The condensed statements may be unaudited and shall disclose the basis of presentation if different from accounting policies of the bank-only statements.

(i)(1) Each institution's annual report or notice must state, in a prominent location within the report or notice:

(i) That the institution's quarterly reports are available free of charge on request;

(ii) The approximate dates the quarterly reports will be available; and

(iii) The telephone numbers and addresses (including information on any other distribution method the institution makes available) where shareholders can request or obtain copies of the quarterly reports.

(2) Each association must state, in a prominent location within each report:

(i) That the shareholders' investment in the association may be materially affected by the financial condition and results of operations of the related bank;

(ii) That (if not otherwise provided) a copy of the bank's financial reports to shareholders will be made available free of charge on request; and

(iii) The telephone numbers and addresses (including information on any other distribution method the association makes available) where shareholders can request or obtain copies of the related bank's financial reports.

(3) Each institution shall, after receiving a request for a report, provide the report to the requestor. The first copy of the requested report shall be provided to the requestor free of charge.

(j) Any events that have affected one or more related organizations of the reporting institution that are likely to have a material effect on the financial condition, results of operations, cost of funds, or reliability of sources of funds of the reporting institution shall be considered significant events for the reporting institution and shall be disclosed in the reports. Any significant event affecting the reporting institution that occurred during the preceding fiscal quarters that continues to have a material effect on the reporting institution shall be considered significant events of the current fiscal quarter and shall be disclosed in the reports.

[51 FR 8656, Mar. 13, 1986, as amended at 51 FR 21340, June 12, 1986; 56 FR 29421, June 27, 1991; 58 FR 27923, May 12, 1993; 58 FR 48791, Sept. 20, 1993; 62 FR 15092, Mar. 31, 1997; 66 FR 14301, Mar. 12, 2001; 67 FR 16633, Apr. 8, 2002]

§ 620.3 Prohibition against incomplete, inaccurate, or misleading disclosure.

No institution and no employee, officer, director, or nominee for director of